

VZCZCXRO4930
OO RUEHPB
DE RUEHBY #1933 3380513
ZNY CCCCC ZZH
O 040513Z DEC 06
FM AMEMBASSY CANBERRA
TO RUEHC/SECSTATE WASHDC IMMEDIATE 6410
INFO RUEHPB/AMEMBASSY PORT MORESBY IMMEDIATE 1713
RUEHWL/AMEMBASSY WELLINGTON IMMEDIATE 4869
RUEHBN/AMCONSUL MELBOURNE IMMEDIATE 3568
RUEHBD/AMCONSUL PERTH IMMEDIATE 2049
RUEHDN/AMCONSUL SYDNEY IMMEDIATE 1562
RHEHNSC/NSC WASHINGTON DC IMMEDIATE
RHHMUNA/CDR USPACOM HONOLULU HI IMMEDIATE

C O N F I D E N T I A L CANBERRA 001933

SIPDIS

NOFORN
SIPDIS

E.O. 12958: DECL: 12/03/2016
TAGS: [PGOV](#) [PREL](#) [AS](#)
SUBJECT: KEVIN RUDD IS NEW OPPOSITION LEADER

REF: A) CANBERRA 1925 B) CANBERRA 1393

Classified By: DCM Michael P. Owens for reasons 1.4 (b) and (d).

¶1. (C/NF) SUMMARY: Kevin Rudd won the vote in the Labor Party (ALP) caucus on December 4, beating Kim Beazley 49-39 to become the new leader of the Opposition. The press is reporting that the uncommitted caucus members swung to Mr. Rudd over the weekend. Voting for the shadow cabinet and other leadership positions has been postponed until Thursday. As ALP MP Bob McMullen (protect) pointed out to us Friday, Rudd is a strong supporter of the U.S. alliance. At his press conference today, Rudd reiterated that his support for the alliance was rock solid. However, he also backs the current ALP policy calling for a withdrawal of Australian troops from Iraq. Rudd will be the fifth ALP leader since ¶1996. END SUMMARY.

ALP ELECTS NEW LEADERSHIP

¶2. (SBU) Shadow Foreign Minister Kevin Rudd became the new Opposition Leader December 4 after winning a caucus vote over Kim Beazley 49-39. Current Shadow Health Minister Julia Gillard became Deputy Leader. The ALP caucus will meet Thursday to elect a new front bench. This will give Rudd and Gillard time to pick a new team that will not face parliamentary question time until next year. Kim Beazley's position had become increasingly difficult the past two weeks (see ref A), and Rudd and Gillard seized their opportunity. What had appeared on Friday as still a tight contest broke for Rudd over the weekend. In two polls released Monday, the public preferred Rudd-Gillard to Beazley-Macklin by 21 percent. The press was also reporting that Rudd supporters were leaking internal ALP polling over the weekend that mirrored the public polls.

NEW ALP LEADER'S ATTITUDE TOWARDS U.S. ALLIANCE

3.(C/NF) MP McMullen pointed out to poloffs Friday that Rudd and Beazley were both strong supporters of the alliance with the U.S. Rudd had noted to the Ambassador in September (ref B) that while the ALP had specific policy differences on issues like Iraq, it was committed to maintaining a strong alliance relationship. When asked about the U.S. relationship at his press conference today Rudd said his commitment to the alliance was "rock solid."

GENERATIONAL CHANGE

¶4. (C) In the end, the Rudd-Beazley contest did not appear to be bitter. The long-standing ALP factions did not vote as blocks in the caucus, and this may reflect the weakening of

the factions within the Labor Party as a whole. In press conferences after the voting, both sides praised the other, with Beazley -- whose brother unexpectedly died today -- giving a warm, heartfelt farewell speech showing more passion than he had in months. The 57 year-old Beazley noted that this caucus election may reflect a generational change, with Rudd and Gillard both in their 40s.

15. (C/NF) COMMENT: Beazley was not connecting with the public. With the polls showing the ALP within striking distance of the Coalition, a switch to Rudd and Gillard made sense to most caucus members. As senior ALP politician Robert Ray (protect) told us last week, the key question in any poll is satisfaction rating, and those polls were showing that Beazley was unelectable despite a range of issues (interest rates, global warming, Iraq) that presumably should have made him competitive with Prime Minister Howard.

16. (C/NF) The ALP caucus also switched leaders several months before the last federal election, bringing in the initially popular but ultimately unstable Mark Latham to replace Simon Creen. Hardworking, smart, and serious, Rudd is no Mark Latham. However, the Mandarin-speaking intellectual Rudd is not an affable politician in the mold of Bob Hawke. His ability to connect with average Australians will be a big question in the lead-up to the 2007 elections.

MCCALLUM